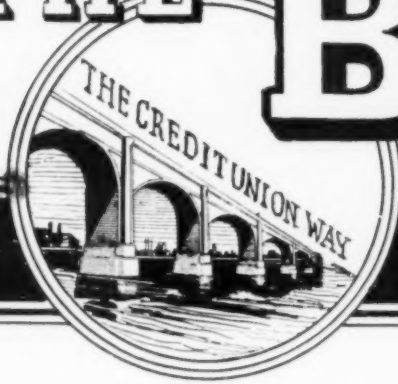


March, 1941

THE BRIDGE



The Way To Economic Betterment



The March of Spring... By FRANK L. BAILEY

DEEP snows melting, cold rains pelting,
Old Man Winter's broken back;
Rivers rushing, ice cakes crushing
Down the fresher's foamy track.

Sunbeams glancing, wild brooks dancing,
Playing saucy little pranks—
Swiftly whirling, twisting, twirling
Down the willow-skirted banks.

Song birds singing, wild fowl winging,
On the way to northern lair;
Green buds peeping fresh from sleeping
In the woods and everywhere.

Salmon lunging, big trout plunging
In each lake and stream and brook,
Watching, waiting 'gainst the taking
Of the crafty fisher's hook.

Leaves unfolding, squirrel scolding
From his perch on yonder log;
Sweet sap running, rabbit sunning
Far away from gun and dog.

By each token, birch and oaken,
By each wood-smoke in the air,
By the flowing, budding, growing—
Nature tells us spring is here.

Official Publication of
THE CREDIT UNION NATIONAL ASSOCIATION

THE BRIDGE

THE WAY TO ECONOMIC BETTERMENT

Volume 6

MARCH, 1941

Number 1

CUNA

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ADVERTISING RATES ON APPLICATION

All subscriptions received before the fifth of the month start automatically with the issue of the current month; all those received after the fifth of the month start with the following month. We find that we have a large number of address changes. To insure prompt delivery of The BRIDGE, when you change your residence, please send in a post card with your former address as well as your new address. When sending in a single subscription or a group of subscriptions, The BRIDGE would appreciate it if you would mark any renewal subscription conspicuously with the word "Renewal".

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The Capital!

● I TALKED RECENTLY with a man who was Manager of the central bank of the credit unions of Poland. He told me of watching the bombing of the building which had housed his credit union. "I stood so close," he said, "that I saw the bomb hit the building. It tore a great gash in the roof and the side nearest the street. I saw our big safe topple out through the gaping hole—and crash to the ground." With it crashed the hopes of cooperative effort in Poland.

And then I talked with another exile. He was Manager of the central bank of the credit unions of Austria, located at Vienna. He told of the forced liquidation of the bank when the army of Hitler rolled into Vienna. That was the end of the credit unions in Austria.

At the recent meeting of the Los Angeles Chapter, attended by members of the Executive Committee, the most eloquent speech was by a German, a former member of the German Reichstag. In parliament he was the spokesman for cooperation. Now he is waiting for that happier day when he will be permitted to return to his beloved Germany.

We may as well be realistic about it. Any system of government—whether it be fascism or communism or any other "ism" which subordinates man to the state—will not tolerate the credit union. The reason is obvious. In the credit union we run our own affairs, with a minimum of governmental interference. That wouldn't do with Hitler.

We, in the credit unions, are for democracy—first, last and every minute of all the time.

And so we look to the land of credit union origin and we behold the forced liquidations and the bombed offices and the ruthless destruction of cooperative effort. This isn't the first time in history when oppression abroad has entrusted great principles of truth and freedom to the democracy of the new world.

It is now our job to keep the principle of cooperative credit progressively alive in the world. On this continent it is for the credit unions of the United States and Canada to keep the torch burning and held high aloft for the inspiration of mankind. And when the bitter wars are over the spirit of cooperative action will flame anew in Germany and in all parts of Europe. Holland and Norway will return to the peaceful pursuits of their cooperatives. Raiffeisen will be born again in Germany. He will be remembered and followed in the land of his birth long after Hitler and all his gang are forgotten.

Meantime—the Capital of the credit union movement in the world has moved to the United States of America.

And within our great Democracy this most democratic of all democratic principles—the principle of cooperation—is secure.

A Monthly Magazine Devoted to the Credit Union Movement

Progress Keynotes League Annual Meetings

All Reports Emphasize They're Bigger And Better Than Ever

ALTHOUGH we are passing through troublesome and chaotic times, the Credit Union movement is going forward. Credit Union service is being brought to an ever-increasing number of people through the organization of more new credit unions. As the number of credit unions increase so do the strength and services rendered by leagues to their credit union constituency increase.

The purpose of the annual meeting of the credit union is to give the members an opportunity to exercise their control over their own financial organization. To receive reports on the stewardship of the credit union by the officers and employees. To review the progress of the previous period and to lay plans and formulate policies for further development. Similarly do Credit Union leagues hold annual meetings. Namely to give member credit unions an opportunity to exercise control over their own central organization. To receive reports on the stewardship of the credit union movement in their state by their officers and employees. To review the progress of the previous period and to lay plans for further development.

The month of January is usually the time during which credit unions hold their annual meetings. Leagues however hold their meetings during the

period from January till the end of June.

Among other things that the writer has to do is the attending and participating in many league annual meetings which are all held on week-ends.

No doubt many BRIDGE readers attend their League's annual meeting. Perhaps many as yet have not been able to do so. In any event perhaps you are interested in learning not only what your own state is doing but also your neighbors.

On January 18, 1941, the parade of 1941 league annual meetings was started by Virginia and Rhode Island.

Rhode Island

Twenty of the thirty-four credit unions in Rhode Island had representatives at the biggest and best meeting held by the league since its organization. The educational aspect of the meeting consisted of group discussions for Treasurers, Credit and Supervisory Committees. The attendants stated that these group discussions contributed considerably towards making the annual meeting interesting and worthwhile. Managing Director John Gough reported the organizations of five Credit Unions during 1940 and that the fiscal period ended with a \$600 balance on hand

after paying all obligations. Plans for 1941 included the organization of more credit unions and the launching of the Rhode Island League Credit Union.

Miss Marie R. Howard, an active Credit Unionist in Rhode Island, was elected President of the Rhode Island League. This is the first time a woman has been elected to this office in the Credit Union movement.

The annual dinner was addressed by Messrs. C. R. Orchard and Thomas W. Doig.

Virginia

An influenza epidemic restricted attendance at the Virginia League annual meeting. Nevertheless a sufficiently large attendance made possible the transacting of considerable business.

Among other things the delegates voted:

1. To incorporate the Virginia League.
2. To raise the maximum dues from \$250 to \$500.
3. To raise the unsecured loan limit of state-chartered credit unions from \$50 to \$200.
4. To favor obtaining authority for federal credit unions to deposit in a central credit union.



The biggest gathering in the history of the league, attended the Utah Credit Union League's noon banquet on January 26, 1941, at Salt Lake City, Utah

5. To meet in Roanoke, Virginia, in 1942.

6. A. Quinn was elected President.

North Carolina

This league held its 1941 meeting on January 25 at Winston-Salem. Panel discussion groups for Credit, Supervisory, and Educational Committees, Treasurers, and Boards of Directors were held in the morning.

The delegates at the business session voted:

1. To lower the dues schedule from 6% to 5½% of gross interest income.

2. To obtain an amendment to the state act so that the league can be incorporated.

3. To meet in Raleigh in 1942.

Much interest centered in the efforts of the Legislative Committee to obtain an appropriation from the present legislature to maintain the State Credit Union Supervisory Department. Delegates were wholeheartedly behind the efforts of their leaders in the plans they have formulated and are carrying out.

At both the North Carolina and Virginia annual meetings regional Managing Director Hurst Owen, Jr. rendered reports of progress, his efforts were commended and brought forth pledges of continued cooperation.

New Jersey

Two things are unique about the annual meetings of the New Jersey Credit Union League, which was held on January 25. First, the delegates are supplied with the most detailed and comprehensive reports that we have had the pleasure of reading. The facts and figures are clearly and cleverly presented through graphs and pictures. Second, the timetable arrangement allocating definite time for items on the business agenda brings a new thought to credit union meetings.

Under the leadership of Managing Director Henry Stricker, New Jersey now has 91% of the credit unions affiliated with the league. This percentage is the highest in the country.

New Jersey started with a 7% dues schedule in 1937 and has reduced it successively until it is now 4½%.

The meeting voted in favor of credit unions' paying patronage dividends.

Mr. Roy F. Bergengren addressed the banquet.

Massachusetts

The Massachusetts CUNA Association met in Boston on January 25, 1941. Educational discussion groups met during the morning. Prior to the business session the delegates were addressed by Messrs. Doig, Shipe, Drews, and Brady. In his re-

port President Cyr stated that the Massachusetts CUNA Association would continue its affiliation with CUNA stronger than ever. Miss Agnes Gartland, Managing Director, informed the delegates that their association had made good progress in 1940. She stated that they now had 96 members of which 23 were added last year. That the year ended with a surplus of \$267 rather than an estimated deficit of \$292.00.

The delegates voted for a two-day session in 1942. Also to send BRIDGE to officers of newly organized Credit Unions.

The evening banquet was a well-attended and happy affair. Messrs. Jensen, Orchard, Shipe, and Doig delivered addresses.

Utah

Over 130 delegates assembled at Salt Lake City on the morning of January 26 to attend the various discussion groups which were a part of the Utah Credit Union League's annual meeting.

Over 160 diners attended the banquet which was held at noon. In addition to Utah's pioneer Credit Unionist Judge James H. Wolfe's address there were those of D. C. Candland and Charles G. Hyland.

The delegates voted to incorporate the Utah League at their business session following the banquet.

Our correspondent advises the meeting was quite a success and that a bigger and better one is already being planned for 1942.

Louisiana

Louisiana's annual meeting held at Baton Rouge reflected to a degree the increased impetus which their new Managing Director, James A. Parker, has brought to their movement.

Panel discussions were held in the morning for treasurers, credit and educational committees. At noon the delegates heard inspiring addresses by Messrs. W. J. Begnaud, W. P. Mallard, and Thomas W. Doig.

At the afternoon business session the delegates voted to incorporate their League. The delegates also received with pleasure the plans which Parker outlined for increasing Credit Unions. They voted to send BRIDGE to each new Credit Union.

Nebraska

During the past year the movement in Nebraska has made almost unbelievable forward progress. Inspired by this, the attendants at the League's annual meeting held March 15 at Omaha made plans for even greater progress in 1941. The morning educational sessions for Board of Directors, Treasurers, Credit, Supervisory,

and Educational Committees were well attended. At the noon luncheon Charles G. Hyland urged them to operate good Credit Unions which placed service to members above all else.

The delegates adopted amended by-laws and authorized the drafting and securing with CUNA's aid, of a model Credit Union law. They also approved a budget which doubles last year's figures. It was decided to retain the Kansas-Nebraska Regional Association on a permanent basis and to employ a field assistant for Managing Director James M. Barry on September 1st.

The evening banquet was attended by the largest group in Nebraska history. They were much impressed by Filene's voice which came to them from a recording made available through CUNA. J. O. Shipe, and Mr. T. W. Doig addressed the diners. Mr. Doig delivered one of his most inspiring messages.

Maryland

Maryland Credit Union League held the largest meeting of its history on February 15. There were about 150 persons who attended the business session and over 300 at the banquet. Quite evident was the feeling of vigor and desire to push ahead with the Credit Union program. The highlight of the meeting was the vote to employ a full-time field secretary. It was also voted to incorporate the League. There was much jubilation over the fact that the League had just defeated a franchise tax. W. W. Pratt and Henry Stricker addressed the banquet with potent messages.

Installment Financing

♦ The leading installment finance companies are experiencing a sizable expansion in their business, partly in reflection of the national defense program which is taking up some of the slack in unemployment and is increasing national income. Profits of these concerns, however, are not keeping pace with volume because of higher Federal taxes and keener competition from commercial banks. In view of the increase in their earning assets—outstanding paper—which is likely to be accelerated as the defense program gets more fully under way, it is probable that an improvement in profits will ensue. *On past experience, it has been noted that only a small percentage increase in national income is reflected in a three or four-fold gain in finance company volume.*

—TRENDS, prepared by Doig, Jones, and Company, Inc.

Changes in Bridge Get Hearty Approval—Circulation Gaining

By R. A. WEST

Chairman National BRIDGE Committee

† THE BRIDGE Management Committee thanks you for the very complimentary comments you have made regarding the February BRIDGE. We are very happy to learn that you like the changes. We hope as time goes on and our circulation grows that we will be able to make further improvements and give you the kind of a magazine you most desire. We invite your suggestions and criticisms and are very grateful for your kind words of appreciation.

THE BRIDGE National Committee is not completely happy but our chins are almost back to normal. We have been looking down our noses and our chins have been down for the last few months because our circulation has been decreasing each month, but 1941 is to be different. We have made a resolution that each month this year will show an increase over the preceding month. All we ask is that every Credit Union subscribe for at least one subscription. Better still subscribe for all of their directors and committee members. If after receiving THE BRIDGE for a few months it is not the kind of a magazine they desire tell us. We shall try to give them a magazine they need and cannot do without. Ask your non-subscribing Credit Union member to give BRIDGE a trial subscription for one year.

January showed an increase, not very large, but an increase. On February 1, 1941, we had 21,742 subscriptions in force.

To the State Leagues and their Directors we ask that you subscribe for all new Credit Unions organized in your State. Give them at least four one-year subscriptions. This service will be of great help at a time when they are so eager for information and not in a position to stand this expense themselves.

This service is provided by the following states:

Missouri	North Carolina
Minnesota	Virginia
Massachusetts	Oregon
Kansas	Rhode Island
Georgia	Illinois
Maryland	Florida
North Dakota	New Jersey
Nebraska	

To these states we say thanks and we know you are making friends for your League and making stronger Credit Unions and leaders. If we have missed any states now offering this service please let us know as we are

anxious to give credit where credit is due.

Florida Appoints Chairman

We are happy to welcome into the ranks Mr. G. W. Stevens of Miami, Florida, who was appointed Florida State BRIDGE Chairman, at their annual meeting in January. Mr. Stevens is one of the reasons why the movement is progressing so steadily in Florida and we are expecting fine results from THE BRIDGE committee in Florida. We now have twenty-two states that are cooperating with us by selecting state BRIDGE chairmen. This is a little less than 50% of the states. To those States that have no BRIDGE chairman we ask that you select a chairman or let us know why you do not care to do so.

This month has changed our honor roll but we are happy because we gained two states in January. The first of February we have 22 states that show an increase in subscriptions over the figure of May 1, 1940. We are sorry to lose the states of Texas, Massachusetts, Idaho, Montana, and Delaware who slipped back just enough to be off the honor roll. We are sure they will be back next month. We are happy to welcome Michigan, California, Indiana, Colorado, Nevada, Pennsylvania, and Vermont to the honor roll. Of these states we especially welcome California, Colorado, Nevada, Pennsylvania, and Vermont as this is their first time on the honor roll. To Michigan and Indiana, we are happy to have you back.

The honor roll to February 1, 1941:

1. Arizona	12. Ohio
2. Georgia	13. Maryland
3. North Dakota	14. Michigan
4. Oklahoma	15. Kentucky
5. Kansas	16. California
6. West Virginia	17. Indiana
7. Maine	18. Colorado
8. South Dakota	19. Pennsylvania
9. Rhode Island	20. New Hampshire
10. Tennessee	21. Nevada
11. Missouri	22. Vermont

This roll is arranged according to the per cent of increase in each state.

We wish to also start a monthly honor roll of states that have shown an increase for January over December. To these states, thanks.

The honor roll for January 1941 and amount of increase over December 1940:

1. Wisconsin	73 subscriptions
2. Kansas	62 "
3. California	52 "
4. Missouri	46 "
5. Michigan	42 "

6. Pennsylvania	37 subscriptions
7. Colorado	27 "
8. Georgia	26 "
9. Indiana	18 "
10. Oregon	17 "
11. West Virginia	15 "
12. Kentucky	10 "
13. Connecticut	10 "
14. North Carolina	9 "
15. Virginia	9 "
16. Louisiana	4 "
17. Tennessee	3 "
18. Washington	2 "
19. Vermont	1 "
20. Nevada	1 "
21. Florida	1 "

We repeat: To those states that have shown such fine gains, congratulations and thanks a million. To those that slipped a little thanks and just a little more push. To those that have not been on the honor rolls just "PLEASE."

A Few of the Comments

From Milwaukee, Wisconsin:

"The officers of our credit union agree that the new type and material used in your February issue coupled with interesting subjects makes THE BRIDGE a very interesting credit union paper."

From Rochester, New York:

"We like the new form and are in favor of the articles of Parliamentary Proceedings which you are starting."

From Mare Island, California:

"The publication has been of value to us in our educational program so we will continue it for our Directors and Committees."

From Chicago, Illinois:

"I have just received my copy of the February BRIDGE and I want to congratulate you and the other members of THE BRIDGE Committee who are responsible for this great improvement. The appearance of the new magazine should do much to increase the subscriptions and make its reception so much better, that more people will want it. You certainly have done a splendid job!"

From Denver, Colorado:

"I like the new BRIDGE very much. In fact the old one suited me also, but this is much better."

From Cloquet, Minnesota:

"BRIDGE is a nicely-done piece of work. The new cover is very attractive. I shall be glad for all the information given in the articles, 'Mr. Chairman' by Byrl A. Whitney."

From Newark, New Jersey:

"Let me be among the first to congratulate you upon the new BRIDGE. The changes and improvements you have made in the paper, type, and general set-up are so noticeable that it hardly appears like the same magazine."

GUNS Or Trained Supervisory Committees?

By **W. P. MALLARD, C.P.A.**

Chief, Field and Review
Federal Credit Union Section

"**L**AST week John Stanley blew his brains out," writes a Federal field representative. (We call this man John Stanley because that is not his name.)

"Hearing that the Federal examiner had arrived in town, Stanley realized he was facing disgrace among his co-workers from whom he had stolen thousands of dollars. Unable to bear up under his sickening sense of guilt, he used his shotgun to remove himself from the hard times and humiliation which then fell like a scourge upon his wife and children. They are now trying to learn the trick of living on little or nothing a week."

This and many other shocking true stories have caused us to wonder if, in the remarkably fast growth of the credit union movement, we have failed to realize the vital importance of the protection which should be given by the all-covering job of the supervisory committee.

"John Stanley was not a hard-bitten criminal," continues the Federal fieldman. "On the contrary, he was a respected and trusted member of the community. His character, however, broke under the strain of having funds entrusted to his care. At first, no doubt, he intended to repay the money he had used, but before he knew it he was in over his head, and suddenly it was too late.

"For years Stanley had prepared the audit report every quarter for the supervisory committee. The answers he gave to the questions on the report form, of course, were perfect, but the activity of the committee ended with signing the report and complaining about 'that darned Government red tape.'"

Tragedies such as this, of course, are out of the ordinary. In fact, John Stanley's suicide is the only one we know about in any Federal credit union. Attempted suicides and broken homes, however, are not so unusual, and the question of dishonesty even is sometimes not involved when hardship and heartache strike at a well-meaning treasurer and his fam-

ily. These things often result from careless and inefficient handling of money belonging to others. The credit union member naturally does not lose, but the reputation of credit union officials is at stake when losses occur.

When credit union leaders began to cast about an inquiring eye, it did not take long for them to see distressing signs of not only a lack of understanding by the supervisory committees, but also a disturbing lack of interest. When heads were counted at credit union meetings, the supervisory committees were outstanding by their absence.

Alarmed by Reports

Comparisons of examiners' reports with those made by supervisory committees alarmed Federal officials because of the amazingly good conditions reported by numberless committees, when from another source it could be seen that dangerous practices were being followed. Even where the committees were doing an intelligent and conscientious job, they often considered their work ended when they had made a complete audit. Too little attention was being given to *getting results after facts were found*. The reason for the word "supervisory" in the name of the committee had all too often escaped them entirely and they had not been conscious that a *fact found is valuable only when it is used*.

"But why should such a state of affairs exist among supervisory committees any more than among the other officials?" asked one state leader.

A little analysis, I believe, will make the answer to this question rather obvious. In the first place, the work of the supervisory committee does not give its members a first-hand realization of the good the credit union is doing, because they do not have personal contact with those who are being helped. Moreover, they have a laborious job checking figures, and in this they often see no human values as they would if they were directly helping some poor fellow to improve his financial condition and living standard.

The figures with which the committee works, however, *do have human values*, and the supervisory committee in reality has the privilege of contributing mightily to the social good of its credit union group. What is



W. P. MALLARD, C.P.A.
Chief, Field and Review, Credit
Union Section
Farm Credit Administration

As counselor and supervisor of 2,000 Federal credit unions in 34 States, District of Columbia, and Hawaii, W. P. Mallard occupies a key position in the organization set-up within the Farm Credit Administration to administer the Federal Credit Union Act.

Born and educated in North Carolina, he early entered the fields of banking, accounting, and auditing, and for several years practiced his profession as an accountant. He conducted courses in accounting in the Virginia Mechanics Institute, Richmond, Virginia, and the Strayer College of Accountancy, Washington, D. C.

Entering the Federal service as a land bank examiner, Mr. Mallard, following the passage of the Federal Credit Union Act, was placed in charge of the work of examining Federal credit unions under the Governor of the Farm Credit Administration. He personally made the first examination of a Federal credit union by the Federal Government.

For the last 3 years, Mr. Mallard has directed the work of Federal credit union field agents and of credit union reviewers in Washington. He has specialized in Federal credit union accounting and operating technique. He is the author of the official FCA manual for supervisory committees of Federal credit unions and of a popular series of articles on the duties of that committee.

more, does not human value exist when it is possible to save a man like John Stanley for his family?

Florida Leaders Get Idea

Credit union leaders in Florida last summer decided to do a really constructive job to correct this unhealthy

state of affairs. Much deserved credit has been given to those leaders in a previous issue of this magazine and in the Government publication "Cooperative Saving with Federal Credit Unions." They requested the co-operation of the Federal Government in working out a training program, and two members of the staff of the Credit Union Section were immediately assigned to the job.

It was soon decided to experiment with a training course in Jacksonville, Tampa, and Miami, with a view toward developing a program that could be made available to the entire country.

The leaders in this project thus had in mind much more than the solving of a local Florida problem. Also it must be said that the project was not approached with the thought that the supervisory committees were to blame. On the contrary, a fair analysis showed plainly that the supervisory committees had been entirely too much ignored by National and State leaders.

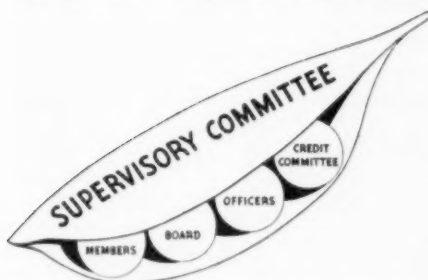
The program, which comprised meetings on two consecutive nights, was enthusiastically received in its experimental stage. At the end of the Florida meetings, however, it was still not perfect, and further experiments were needed before it was ready for general use.

Finally, after three more trials, it was brought into acceptable form and news about it began to spread to the far corners of the Nation. Since then thousands of people have participated in the program, and leaders have expressed a desire to sponsor it in a hundred cities. It is entirely possible that 10,000 supervisory committee members will receive its benefit during 1941.

The program on the first night is outlined somewhat as follows:

1. Credit union philosophy and principles
2. Progress and success of the credit union movement
3. Job of the supervisory committee in making the movement successful and safe

PROTECTIVE COVERING



One of the charts used during the first night of the course.

THE BRIDGE—March, 1941



E. J. Hickey, conducting a supervisory committee meeting in New York City.

4. Specific job of the supervisory committee
5. Analysis of the internal workings of the credit union as it pertains to the job of the supervisory committee.

Illustrated Address

The first three general points in this outline are covered by an address, and the remainder of the evening is taken up with a combination of the lecture and group-discussion styles of meeting. Throughout the whole evening exhibits are used to illustrate and focus attention on specific points. Less than 2 hours are needed for the program on the first night, not including the dinner and various local items on the program.

The exhibits used, as far as practicable, are prepared in picture form to illustrate basic thoughts. For example, it is shown early in the program how, through the usual system, certain financial institutions obtain at wholesale rates dollars which have originally come from the people and then sell them back to the people at retail prices.

This system is illustrated by pictures which show families dealing with such organizations. The shrinkage in their funds as they pass through the process is also pictorially shown. Following this, pictures are exhibited to show the credit union way of personal financing and its advantages. Then comes a pictured comparison of the credit union economic democracy with our political or civil democracy.

The audience is now ready to consider whether the credit union is practical or whether it is just another theory. The best way to answer this question is to look at the record, and for convenience we take the record of the past 5 years. This is done by exhibiting and discussing charts which show the increase in the number of

credit unions organized, the people who have joined, the savings accumulated, and the help rendered through loans made.

Need for Protection

After establishing the success and workability of the credit union plan, attention is turned to the importance of the supervisory committee. The need for protection in a movement involving the vast resources of so many people is illustrated.

From the past, we have learned that especially in financial institutions safeguards are needed. Credit unions, being financial institutions, accordingly need safeguards. It follows, therefore, that someone not engaged in the operation of these cooperative organizations must be appointed to watch over the operations critically.

To fill this need a supervisory committee is elected by the members in each credit union to stand guard and protect the organization.

It is brought out in the program that broad supervision of credit unions is given by the Farm Credit Administration and State authorities, but that more direct and effective supervision can be given by the supervisory committee composed of people selected by the members within their own credit union. The Government is anxious to turn over as much of its supervision to the committees as they will assume responsibility for, and nothing would please the Federal Credit Union Section more than to be able to reduce its supervision to an annual examination by which it would find that Federal credit unions are well-operated as a result of the activity of supervisory committees.

At this point, the leader draws upon his experience for certain true stories of how the committee has or could have given protection. Many interesting cases can be related.

The program attempts to inspire the supervisory committees to perform their job well. This is accomplished to the extent that the committees are convinced of the worthwhileness of their place in their credit union and in a great movement for service to the people.

The remainder of the program on the first night consists of discussion based on charts which point out the specific job of the committee and certain important tests to apply to credit union operations.

Practice Audit

A sample set of books is used for a practice audit on the second night. All necessary supplies should be distributed and work actually commenced before 8 o'clock, because the practice audit requires a considerable amount of time.

The sample set of books is extremely simple but numerous irregularities nevertheless are to be found. Each step of the audit is taken by everyone together, and errors are displayed on the wall as they are discovered. Those in the audience are not told the answers to the questions, but are encouraged to "speak up" about their findings. Answers come from all parts of the room and lively participation usually retains the interest of those present.

At the end of the audit a reasonable amount of time is devoted to consideration of recommendations that the committee should make to the operating officials for improvements in the sample credit union. It is emphasized that the committee should be in a position, as a result of its audit, to make recommendations from three different standpoints, as follows:

1. Operating practices
2. Soundness of financial condition
3. Service to members.

At the close of the program a model solution is given to everyone present.

Results

Comments from leaders and the reports by supervisory committees from places where the programs have been given indicate that the following results have been achieved in a gratifying measure:

1. Greater understanding of and belief in credit union purposes and philosophy by people who previously were only mildly interested in the movement.
2. Greater realization of the importance of the supervisory committee by people who had previously taken their official responsibilities with little interest.

3. Greater pride by people in the privilege of doing their jobs better through association with others with similar interests and problems.
4. Determination by people that they will do their jobs better for the benefit of their credit union.
5. More complete knowledge by people of the internal workings of the credit union.
6. Greater understanding by supervisory committees of how to make the necessary audits.
7. Decision by many people to become a part of the organized

credit union movement. Many additional persons should, as a result of the meetings, become staunch supporters of and participants in their local credit union organizations.

Is it not the responsibility of credit union leaders throughout the Nation to bring to the 25,000 supervisory committee members an understanding of their *real job behind the figures on the books*? When this is done, less hardship and heartache will come to the great army of fine credit union workers and then perhaps guns will have no place in the credit union.

"Filene House South"

♦ THE expansion activities of the Eastern Air Lines at their Miami, Florida, airport required all space obtainable, even to that used by the Credit Union. However, what would be considered a calamity by some groups did not deter the members and officers of the Miami Employees Federal Credit Union.

After careful study and consideration \$200 was authorized for the purchasing of materials and the membership volunteered the labor to erect their own home for their Credit Union. Thirty-seven members responded, bringing their own tools and within a week the building was completed, some members putting in an hour and some as much as two full days. The members call it "Filene House South."

The building, located in the center of the operations area, is 16 feet square, being divided into two rooms, one 7 x 16 and one 9 x 16 with a door

and two cashiers' windows between. This arrangement proves ideal as it allows members to have privacy in consultation with the treasurer, gives a meeting place for the credit committee and board of directors, and the two windows enables two lines of depositors to be handled on pay days and during rush hours. The office is open from 9 until 5 daily and employs a full-time assistant treasurer. The treasurer's duties with the company are conducted in the same office. The operation of the credit union on a system-wide basis as an employee welfare work constitutes a portion of the treasurer's duties with the Air Line as the company feels that the activity of the credit union relieves the minds of its members of financial and resultant domestic worries and leaves it free for his job, contributing in no small part to the unequalled safety record of the Great Silver Fleet.



Officers, left to right: Frances E. Graves, assistant treasurer; R. B. Ault, president; Henry B. Graves, treasurer; E. W. Cooper, clerk; James L. Ingoldsby, vice-president.

The



PRESIDENT'S PAGE

By William Reid, President of C.U.N.A.

I AM very pleased to be able to report that the necessary legal steps to effect incorporation of the Credit Union National Association have been taken pursuant to the provisions of Article 2 of the Membership Corporation Laws of the State of New York, and we are now, as a matter of fact, incorporated.

Incorporation of this Association, after so many years of discussion of the matter, was effected because of the detailed study and recommendations made by our General Counsel, Mr. Nat C. Helman.

Unionization of Employees

Agreements have been made with the appropriate unions in Madison so that now all of our employees are members of unions and are being paid in accordance with the union scale. In some few instances this required substantial increases in compensation, particularly to employees on the CUNA Supply staff, but I believe the benefits flowing from unionization of our employees are well worth any additional cost.

In this connection, I would call your attention to the fact that our official publication, *THE BRIDGE*, is being printed by Kable Brothers of Mount Morris, Illinois, whose plant is completely unionized. This company makes a specialty of printing official organs such as ours, and the February issue—the first published by them—is definitely a big improvement.

Bridge Committee

Mr. West, National Chairman of the National *BRIDGE* Committee, submitted a report to me under date of January 14, 1941. I desire at this time to express my very appreciative thanks to Mr. West for all he has done and is doing to build up *BRIDGE* subscriptions and to make our official publication a success in every way.

I also thank all the district chairmen as well as the state chairmen for their complete cooperation.

Mr. West makes some very fine suggestions in his report.

Filene Memorial

I believe, too, we should indicate to Mr. Clarke, Chairman of the Filene Memorial Committee, and his many hard working state chairmen our appreciation for the fine work he and

they are doing in an endeavor to add to our funds to build Filene Memorial House at Madison.

Monies have not been coming in as fast as might reasonably be expected. I am sure Mr. Clarke would appreciate seeing a much faster accumulation of funds and we should do everything possible to help in this work.

Credit Union Organization

I am extremely happy to report that during the year 1940 there were 1,364 credit unions organized in the United States. This compares with 1,215 organized in 1939, or 149 more organized in 1940 than in 1939.

I believe this is the largest number of credit unions that were ever organized in any single year, except perhaps when the Federal Section had fifty men in the field devoting their full time to the organization of federal credit unions.

Recently, through the activities of the Organization and Education Department, a group of several Credit Unionists in Illinois were gotten together in an endeavor to test out a theory as to the possibility of instituting a training plan for organizers to further organization of new credit unions. As a result of this endeavor, several men who had never organized credit unions before have already organized one. I believe one of the men organized three within a comparatively short time.

This is the type of work that the Organization and Education Department can and should very effectively carry on because it seems to be simple, common sense that local people are much more advantageously situated to organize credit unions than anyone else.

I believe, if it is financially possible, that there should be additions made to the staff of the Organization and Education Department so that more of this type of work can be done than is possible with the existing staff.

The greatest need of the movement, as has often been indicated by Mr. Bergengren, is to bring into being more and more credit unions. I am convinced the large increase during 1940 was in great part made possible because of our Organization and Education Department and I also believe that if that Department had more

people in it, still more credit unions would have been organized.

Another activity that I believe might well be carried on by the Organization and Education Department is a school for public speaking so that annual meetings of credit unions might be covered by credit union members who would very gladly do so except that they have had no experience in public speaking.

I know thousands of the credit unions which had their annual meetings during the month just past would have appreciated it very much if some guest speaker, well grounded in credit union philosophy, could have attended their annual meetings and presented his point of view.

I would also like to suggest that a badge or certificate of some kind be gotten up for presentation to the head of industrial concerns who make space available for the credit union activities and are in entire sympathy with the aims and purposes of the credit union.

I recently attended an annual meeting of a credit union consisting of bakery employees, at which meeting the owner of the bakery was present. I presented a Founders' Club badge to the President of the Credit Union on behalf of Mr. Bergengren, and the owner, I believe, would have appreciated a great deal having one of these badges or some similar badge. He gave a little talk at the meeting and clearly indicated that he was very much in favor of credit unions. The company has three different plants and three different credit unions. Such men should be encouraged in any way we can, hence the reason for this suggestion.

Educational Unit

In the early part of January I had an opportunity to talk to Mr. Percy Brown about our educational activities and he indicated to me that he had a brief talk one day with Mr. Shipe in Chicago. Mr. Brown said he felt one of the difficulties was to get to the roots of the best way to interest credit union members in the affairs of their organization.

He indicated he was very much pleased with the headway that has been made with consumer units at the Rochdale School and was very hope-

ful that the extension of the program there would do a lot of good.

He appeared to be particularly enthusiastic about Miss Maxwell's connection with the school activities and the splendid work she had done.

He indicated that the Good Will Fund was in a position to help more than ever before with our educational activities as they were advocating that every cooperative should have a credit union attached in some way. He seemed to feel that this would eliminate any criticism that credit unions were going into the cooperative business in opposition to business generally.

Altogether, I gathered from my talk with Mr. Brown that he was keenly interested in what we were doing along educational lines and stood ready to help in every way possible.

What of the Future

During the year 1940 the movement made great strides but there is much yet to be done and certainly we should not rest on our oars and feel satisfied. There are less than 10,000 credit unions in the United States and there, of course, should be at least 100,000.

I appreciate that because of the war abroad the country is in a very unsettled state in many ways and it might be well to pause and give thought to what lies ahead, not only so far as the movement is concerned but to the nation generally.

The question of the future of the credit union is of tremendous interest. The movement is extremely vigorous. Many of our members have anticipated its suppression as being a movement detrimental to others more solidly entrenched.

The extension of our movement to its present importance shows we have been to successful to permit forebodings. The real problem of our future is the underlying issues of the individual and the many, the section and the whole.

The movement does not stand as the design of a theorist; to any friendly observer (including our members) it must appear as arising from the social instincts of the many.

It must be said in all fairness—and here is a substantial weakness—that many are bound to the credit union movement only by self interest and monetary ties. Some of our most vociferous members are, unhappily for the movement, in that category.

To make economic democracy really effective in our movement requires the discovery of profounder means way beyond those yet evolved for arousing disinterested human enthusiasm.

We can't expect the great numbers in the movement to be profoundly af-

fected by those who make their living from the movement—as necessary and useful as these people are. We must enlist a great army through perhaps the institution of regional meetings. In this way it would be possible to select national directors really from the important membership.

As we are now set up—perhaps because of mushroom growth—the people who earn their livelihood from the movement practically control it. As I have said over and over again, this movement will never be what it can and should be until all those earning their living from this or any other cooperative endeavor are barred from membership on the National Board.

What we must guard against in the immediate future is an attempt to select a weak and pliable Executive Committee. Dreaming as to what historians will say about our part in the movement is not the answer to "what of the future?"

We don't necessarily need to see the day after tomorrow coming over the horizon to know that our movement must depend more and more not only on its numbers but also on its power to enlist intelligence and develop throughout its ranks a leadership capable both of creating enthusiasm and producing every day convictions among all mankind.

The sooner we all recognize this the sooner will we eliminate the possibility of units breaking away—units that even now feel they are strong enough to walk alone.

Stupid mistakes engendered by petty jealousies and greed may delay our onward march but as a free movement of free men and free women nothing can ultimately stop this organization from a glorious future. If we all play our part like honorable men the future will take care of itself.

Finally, may I thank you all for your fine work during the past months. I also thank Mr. Bergengren and the people in our various units for the effective way things generally have been handled.

Robert Burns wrote a poem about 150 years ago, the concluding verse of which follows. It is one, for many reasons, that applies very fittingly to our group and to this troubled world generally.

"Then let us pray that come it may,
(As come it will for a' that),
That Sense and Worth o'er a' the
earth,
Shall bear the gree, an' a' that

For a' that, an' a' that,
It's comin yet for a' that
That Man to Man, the world o'er
Shall brothers be for a' that."

Madame President



Marie Regina Howard

♦ MARIE R. HOWARD is the first woman to be elected President of a State League in the history of the Credit Union movement. Her leadership ability is used by many organizations. The old adage—if you want a job done and done well give it to a busy person—certainly is applicable to Miss Howard.

She is a teacher in the Elementary Schools of Providence, Rhode Island, graduate of Rhode Island Normal School; pursued further studies at Brown University and at Columbia University Summer School. President of the Providence Teachers Association 1935-38 during which time she organized the Providence Teachers Credit Union, put into operation a Health and Accident Insurance Plan for the members of the Providence School Department and saw completed the organization of the Providence Teachers Cooperative. Has been president of the Providence Teachers Credit Union since organization and a director of the Providence Teachers Cooperative since its inception. President of the Rhode Island Institute of Instruction, which is the State Teachers Association, 1939-1940. As President appointed a Credit Union Committee for organization work among the teachers of Rhode Island and arranged a Credit Union Section on the program of the annual meeting of the Institute. Has been successively second Vice President, first Vice President, and now President of the Rhode Island Teachers' Association.
(Continued on page 63)

CUNA IN THE FIELD

By C. F. EIKEL, Jr. Southern Field Secretary

Louisiana

† The movement in Louisiana is slowly, but very steadily moving forward. Nothing outstanding. Nothing astounding. But very gradually pushing its way to the top to take its place among the leading states in this great movement of ours.

For three months during last year, the League was without the services of a managing director. Then in October, they took that same fatal step again of placing the affairs of the League and the future of the credit union movement in the State in the hands of a full-time Managing Director. Nor did they make a mistake. The records clearly illustrate that the new Managing Director, James A. Parker, has done an excellent job in the short period of time since he has taken over this all important duty.

Up in the Shreveport area, Mr. Parker has managed to reorganize the Chapter and under the able leadership of Leo E. Jones, President of the Chapter and Treasurer of the Aneca FCU, things should begin to boom in that section of the State. Formerly the Chapter held meetings when and if they could get a few people to agree to come, but from now on meetings will be held each and every month as they should be, even, as Mr. Jones says, if he is the only one in attendance. With that feeling the Chapter certainly should be successful and the ultimate result of a successful Chapter is the organization of additional credit unions.

Mr. Parker also reorganized the Baton Rouge Chapter and already that group is anxious to do something in addition to attending meetings. They are calling for more credit unions in Baton Rouge and usually when people want something badly enough they find a way of getting it.

So far in the month of January seven new Credit Unions have been organized. More could have and should have been organized, but much time had to be devoted to preparing for the annual meeting of the League, which, from all indications, will be the best meeting ever held in Louisiana. But seven new Credit Unions is a fairly good start and with the high goal set by Mr. Parker, by the end of the year Louisiana should almost double its present number of Credit Unions.

Office Managers Meet

I had a very rare privilege recently. I was invited to make an address on credit unions before the New Orleans Chapter of the National Office Managers Association. There were some twenty office managers who attended this meeting. Several represented firms where the Credit Union was already well established, but the majority heard the story for the first time. I say for the first time, although previously several attempts were made to tell this story to a few of these gentlemen, but they were always much too busy to listen.

I was accorded this privilege through Harry W. Backes, Vice-President of the Association. Mr. Backes is the Auditor of the Pan-American Life Insurance Company in New Orleans and for the past five years has served as chairman of the credit committee of the PALIC FCU. He is an ardent supporter of the credit union movement and at several previous meetings made mention of the good that was being accomplished by his employees through the medium of a Credit Union. Finally, there was a demand for more complete and detailed information.

The meeting lasted several hours and numerous questions had to be answered. For the most part the group was concerned with the soundness and safety of the Credit Union and the answers apparently satisfied them completely, because at least ten requested me to call in the latter part of January to plan meetings with their employees. The result! Three new Credit Unions have been organized and at least three more will be in the next few weeks. In several instances, the employees were not sufficient in number to justify a Credit Union.

Teacher Conventions

During the past few months through the activity of CUNA Organization Service, we were represented at three teacher conventions, one in Arkansas, one in Louisiana, and one in New Mexico. In the case of the Louisiana Teachers convention, it was impossible for us to get on their program, but we were provided with space for a credit union booth and distributed several hundred envelopes with valuable credit union information.

In Arkansas, we were allowed five

minutes on the main program and were also provided with a booth. Here likewise, several hundred envelopes with credit union literature were distributed to the teachers. But in both Louisiana and Arkansas, the results have not as yet proven very satisfactory, although there is one group, the Van Buren County Arkansas Teachers, which plans to organize sometime in February.

In New Mexico, the Credit Union was on the program for six sectional meetings of the teachers. We had no credit union booth at this convention, but were allowed approximately thirty minutes on the program of each of the sectional meetings. And from the apparent interest displayed, teacher credit unions should develop quite rapidly in New Mexico.

New Mexico

I recently had the very good fortune of being the first CUNA representative, in the past five years at least, to visit and work with the credit union folks out in that great State of New Mexico. When I say good fortune, I mean just that, because a more cooperative group of credit union people I have yet to meet.

As most of you probably know, this is one of the few states where as yet the credit unions have not organized a League. In fact, there was not one credit union in the whole State that was in any way affiliated with CUNA. And knowing this, I had visions of an extremely tough chore ahead, but soon found out that credit union people are the same most anywhere you happen to go.

Having only a limited number of days to spend in the State, it was impossible to visit with all of the credit unions, so the time was spent in Albuquerque where the majority are. All operate under the Federal Charter except one. The Post Office employees are organized under the cooperative law. There is no state credit union law in New Mexico.

Meetings were arranged with all but two of the Credit Unions in Albuquerque and the Credit Union movement from its beginning was thoroughly discussed. It was suggested that the Credit Unions in the State organize a League and affiliate with CUNA. This suggestion was enthusiastically received as it was the almost unanimous opinion that the New Mexico Credit Unions should do their part in this great work of promoting the Credit Union movement and at the same time have the services of CUNA and its affiliates extended to them.

Plans have been made to organize the New Mexico Credit Union League during the early part of 1941.

WHAT ABOUT IT?

From CARAQUET, N.B., CANADA

Subject:
Delinquencies

QUESTION NO. 1: At a recent meeting of our Credit Union Chapter the question of past due loans came up for discussion and several opinions were given. Finally, it was decided to ask your kind cooperation in the solving of this difficult problem. The question is: What is the procedure to be followed when a loan is past due? Do you recommend sending a notice eight days in advance when every installment falls due? In case a member has enough shares to cover the amount which is past due, what do you suggest? In solving these questions, I think it will be wise to note that this applies to Credit Unions with small capital ranking from \$1,000.00 to \$10,000.00. We will appreciate a few sample issues of your interesting magazine THE BRIDGE. We have heard a lot about it, but many of our officers have never had the opportunity to read it.

Answer No. 1: The question of delinquent loans is becoming quite serious, and is therefore deserving of very considerate thought on the part of the board of directors of the credit union. It seems to me best that delinquencies should always be handled personally. Therefore I have been suggesting that the vice-president of the credit union who usually has no other work to do, should, if he is of the right personality, be made chairman of a loan delinquency committee of three members of the board. I would suggest that this delinquency committee function as follows: let us suppose that a payment was due on a loan the day before yesterday. Then today the three members of that committee should call on that person that is delinquent and just remind him in a nice way that his payment was due and try to collect it. If the member is unable to make the payment, then this committee, I think, should nicely inquire into his financial condition and ascertain whether or not the credit union might render a still greater service to him by either extending his present loan or by increasing the amount of his present loan. It is my opinion that credit union people really want to be honest but that sometimes they get themselves into a jam and therefore if the delinquency committee approaches this problem in a friendly fashion it might result in much more

business for the credit union and in very satisfied borrowers who will really make their payments on time.

If a member has shares in the credit union equal to his loan balance, and these shares have been properly pledged and tagged by the treasurer so that they may not be withdrawn until the loan is paid in full, then the credit union need not be concerned until the date of maturity of the note, when the treasurer should confer with the borrower and ascertain whether he wishes to transfer his share account into his loan account. It is best, of course, to endeavor to persuade the member to leave his shares intact and pay up his loan a little at a time.

Under separate cover I am sending you six copies of the most recent issue of THE BRIDGE. I hope you will encourage some of your board members to read this issue of THE BRIDGE and then let me have the reaction of your credit union to it. We feel that the members of the board of directors, credit committee, and supervisory committee of all credit unions should receive THE BRIDGE each month. It is our opinion that this magazine will help them very materially in operating their credit union.

From KANSAS

Subject:
Employed Personnel

QUESTION NO. 2: We function in an oil refinery where no one but men are employed. Recently we decided to employ a part time clerk. We have applicants from both sexes. Two Board members contend that our workmen will not desire to do business with a woman, especially when they are clothed for the job. These members requested that you be asked for an opinion on general observations where women function in credit union offices. Will you kindly pass some kind of comment on this matter for our consideration?

Another matter along this same line: is it possible to hire a part time clerk and later place that person in the position of treasurer if they prove sufficient and devoted to the work. The question was raised on the point that this hired clerk would not be eligible for membership under the by-laws as that person would not be an employe of the corporate firm employing the credit union members.

Answer No. 2: It has always been my

—By Tom Doig—



Readers are invited to Submit Questions on any Credit Union Problems and also to give us your frank reaction on the answers, whether you agree or disagree with the Editor.

experience that the men members of the credit union really enjoy doing business with a lady who is acting as clerk of the credit union. Were I in your position, I would hire the person most suited for the work regardless whether that person was male or female.

Usually a credit union provides in its by-laws in the membership clause that any person that is employed by the credit union is eligible to membership in the credit union. If your by-laws do not so provide, then I would suggest that you change them to include in the proper membership any person who is employed by the credit union. This would make it possible to employ a clerk and later, if you so desire, to elect that clerk treasurer of the credit union.

From MINNESOTA

Subject:
Two Interest Rates

QUESTION NO. 3: Is it permissible for a credit union to have two rates of interest? That is, a lower rate for persons taking large loans, say \$200.00 or over, and charging a higher rate on loans for smaller amounts? Do you know of any cases where this is being done?

Answer No. 3: I can see absolutely no justification for charging a lower rate of interest on the larger loans. Let us suppose, for example, that you have in your credit union a man who earns a hundred dollars a month and has a family of three children to support. Let us suppose one of these children goes to the hospital and the man finds it necessary to borrow one hundred dollars which you lend him at your regular rate of interest. Now, let's suppose you have another member of your credit union who earns a larger income and who is a bachelor and who wants to borrow a thousand dol-

lars to buy an automobile. Under the suggestion of two rates of interest you would charge less interest to this second man than you would to the first one and I can see no justification in that. That would be working on the old theory of giving to the one who has and taking from the one who has not, and if there are to be two rates at all, I think the lower rate should be given to the small borrower who has a small income and the higher rate should be charged to the man who is borrowing possibly for pleasure or for business purposes and who has a larger income with which to repay. The only correct solution is to treat all credit union members alike and charge one rate of interest regardless of the size of the loan.

From MINNESOTA

Subject:
Evasion

QUESTION NO. 4: A person wants a loan of \$500.00. Our loan limit is \$300.00. Can a head of the family be loaned \$300.00 to stay within the loan limit and a loan of \$200.00 be made to his wife? The wife has no income of her own so the payments should come out of the husband's salary which is big enough to take care of both. What is your view on this?

Answer No. 4: If your loan limit is three hundred dollars you should not lend more than three hundred dollars to any one person. In case a man has received from your credit union a loan of three hundred dollars, it would not be proper to make a loan to his wife (unless she has a separate income from which to repay it) as this would be merely an evasion of your own rule. The real solution to this problem is to increase the amount which may be loaned to any one member.

From OHIO

Subject:
Dividends

QUESTION NO. 5: "A" deposited the sum of \$100.00 on the second day of January, 1940, in our credit union and at the end of the year received \$4.58 in dividends, but he claims he should have had dividend for the entire year claiming the credit union had the use of his money for an entire year lacking one day. What would your answer be to this question?

Answer No. 5: It is customary for a credit union to consider any money deposited in the share account within the first four or five days of the month as though that money had been deposited on the first of the month. If this were the custom in your credit

union, then the member of whom you speak would be entitled to a full year's dividend. However, if your credit union has made a rule that it will pay only on money which is on deposit on the first day of the month, then you are correct in refusing a complete dividend on this member's account. As stated previously, it is customary for a credit union to allow the first four or five days of the month and consider any money received during those days as though it had come in the first day of the month.

From OHIO

Subject:
Share Insurance

QUESTION NO. 6: What is the age at which a child can be covered under the share insurance plan (The Life Savings Plan)?

Answer No. 6: When a credit union uses share insurance, it remits to the Cuna Mutual Society a premium on all moneys on deposit in the share accounts of the credit union up to \$1,000 on each individual account. Therefore, any money which is on deposit in the name of a child would be covered by the share insurance regardless of the age of that child.

From WISCONSIN

Subject:
Joint Accounts

QUESTION NO. 7: The joint account questions and answers from Wisconsin and Pennsylvania in the January BRIDGE were very instructive, and answered some of the questions on this subject that have been coming up from time to time at our directors' meetings.

I am sending you more questions on this subject, the answers to which will, I trust, make clear to our directors and committees the right procedure to be followed by our credit union on this much discussed question.

I am a member in good standing in our credit union and own shares to the value of \$100.00. My wife is not a member and refuses to become a member. Can my wife and I under this setup sign a legal joint account?

I am a member in good standing in our credit union and own \$100.00 in shares. My wife becomes a member and we sign a joint agreement. (a) Does this give either one of us the right—without the knowledge or consent of the other—to borrow from the union, giving our share balance as security? (b) Does this joint account give either of us the right without the knowledge or consent of the other to withdraw a part of our share balance?

Answer No. 7: I would suggest to the credit union that it is unwise to issue a joint account between a member and non-member. It is best that the credit union should deal only with members, and therefore I would suggest that the joint account be permitted only between the members, and that the wife be required to join if that member wishes to have a joint account with that wife.

If a man and his wife are both members of a credit union and have a joint account, then legally it is possible for either one of the two to borrow from the credit union and pledge the shares of the joint account as collateral without the knowledge of the other. I say that is legally possible. However, I do believe that the credit committee would be negligent if it did not check on such a loan application and obtain the signature of the second member of the joint account on the note.

In case of a joint account, either one of the parties to the account has full power to withdraw funds at any time. This withdrawal may be made without the knowledge or consent of the second party to the joint account.

★ *Baby Bank's Birthday*



♦ This 10th anniversary cake of Consumers Cooperative Credit Union, North Kansas City, Missouri, not only tickled the palates of members attending the annual meeting January 14 but was symbolical of all the good things their baby bank has meant to them during its 10 years of growth. \$101,303 was loaned to borrowers, \$2,690 was paid out in interest dividends, and \$3,629 net savings were made. "This last year has been our most successful, \$24,811 being loaned out to 99 persons and net savings of \$982 being made," reported Treasurer E. O. Gillespie.

★

Men are often capable of greater things than they perform. They are sent into the world with bills of credit, and seldom draw to their full extent.—Walpole.

Credit Union Publicity

Disinterested persons write illuminating articles.

By JAMES W. BROWN

Treasurer, El Segundo (Calif.)
Standard Emp. C. U.



James W. Brown

♦ One of the strong indications that the credit union has emerged from its tottering infantile days and is coming of age is the rapidly growing interest outside of our membership. More and more in newspaper columns, magazine articles and pamphlets we are receiving comments and publicity.

Critics of our movement are apt to discount some of our statements, claiming that in our enthusiasm we are apt to paint the picture with too bright colors and overlook the shadows.

With all this in mind it is interesting to study what is said about us by disinterested parties, partly for education and partly for verification of our own claims.

One magazine of national circulation contained an article recently in regard to consumer financing. It was stated that the best and cheapest way to finance was through a credit union and then the article went on to tell how the credit union helps its members in many other ways. This article listed the various types of lending agencies, starting with the credit union given as the cheapest in interest rate, from 5.4 to 12%, and ending with the loan shark's 45 to 700%. The list was educational to us as often we think largely of only the two extreme agencies, credit unions and loan sharks. The agencies in between are worthy of our study as I believe the swing of the pendulum is from higher interest rates to lower interest rates. How much of this is a partial achievement of the credit union is impossible to prove or compute. However, I believe it can be safely stated that the fact that the credit union has proven the average worker to be honest and repays his loans with negligible losses has undoubtedly influenced conservative institutions to go into the personal loan business on a large scale. Many such agencies charge a rather fair rate of interest and do a work we cannot do, and probably deserve our best wishes and approval. I believe we need this over-all picture of the whole lending field, with the credit union as

a part rather than a constant narrow partisan view of our own particular field. One of the obligations of growing up is to take on social adjustments and our loyalty to the credit union should not make us hostile to all other lending agencies. However, this does not mean fraternizing with the unscrupulous lenders who charge all the traffic will bear and continually high pressure borrowers with deceiving advertisements to borrow beyond their means.

The keen observations of such an analytical writer as Maxwell S. Stewart in his Public Affairs Pamphlet No. 50, entitled "Credit Unions—The People's Banks," is of deep interest to all credit union leaders.

Such a comment as credit unions in certain groups "strengthen the organization financially and organizationally" is a truth worth remembering. If any movement in which all members have equal chance to share its benefits can further the spirit of democratic unity it means implanting a strong resistance to the theory of "master races" to which the rest owe obeisance and virtual servitude. Who ever heard of an Aryan Credit Union?

"Even the best credit unions make mistakes." Verily, even so, Mr. Maxwell. But by our mistakes we learn, the baby must have plenty of falls. We cut our teeth financing a chicken ranch. The chickens died, the rats ate the feed and we are holding the empty sack. But the Guaranty Fund took care of the loss and we learned about chickens from this loan.

"Associational credit unions are the most useful of all." A true compliment to a group that well deserves it.

"Credit Unions are no longer in their infancy. They are powerful and well established institutions." A sense of modesty makes me refrain from adding anything to this confirmation of our own idea.

"Credit Unions may become conservative with age and lose some of the idealism which so far has profoundly affected the movement." Here Mr. Maxwell places a very accurate finger on what we must face in the future. A brave, young movement or fat, senile old money bags afraid of idealism?

Credit unions are making history and I believe in the future we can expect to be critically appraised by writers in outside publications. Such impartial evaluations are welcomed and can be studied as an aid to improvement and obtaining a clear, unbiased picture of ourselves.

Membership Education!

Every credit union needs to do something about MEMBERSHIP EDUCATION. The pamphlet

Credit Unions—The People's Banks

A publication of the

Public Affairs Committee by

MAXWELL S. STEWART

Fills this long-felt Need!

It sells for ten cents a copy. *Credit Unions, both State and Federal chartered, are permitted to buy enough copies to enable the Credit Union to distribute a copy to every member for educational purposes. Over 26,000 copies have already been distributed and the results have been extremely satisfactory to all Credit Unions concerned. We urge you to urge your Directors to buy enough copies of this pamphlet so that every member may have a copy free, as a part of your educational program. Distributed by*

CUNA Supply Cooperative
Madison, Wisconsin

"A splendid job . . . I heartily recommend it"—William Reid, President of CUNA.

"The value of the study for educational purposes is unquestionably great"—Roy F. Berggren, Managing Director, CUNA.

"One of the best credit union articles ever written by an unbiased person"—Thomas W. Doig, Assistant Managing Director of CUNA.

"The presentation of the Credit Union as a credit agency is excellent"—C. R. Orchard, Director, Federal Credit Union Section.

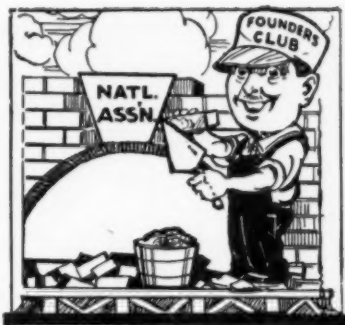
"I have read it and think it is splendid"—Henry Claywell, Hillsborough County Teachers Credit Union, Florida.

"It is particularly suitable for study clubs"—A. B. MacDonald, Managing Director, Nova Scotia Credit Union League.

"An excellent piece of work . . . should be in the hands of all credit union members"—R. L. Conrad, Denton County Teachers FCU, Texas.

And hundreds of others testify to the excellence of this pamphlet.

FOUNDERS' CLUB



BEFORE telling the news of the CUNA Legion may we first get up to date as regards the Founders' Club itself.

We left off a couple of issues ago with No. 576, Mr. Roy Q. Strain. Since then we have been climbing steadily until now we have just passed 600. The new high number as of February 17 is No. 606 and we are most happy to introduce the following new members of the Club since the last roll call.

Incidentally the importance of the Founders' Club in the general scheme of things is becoming daily more self-evident. The fact that 600 credit union men and women have cared enough about the credit union movement to organize new credit unions speaks well of the certainty of the future. A football coach is always tremendously interested in the freshman football squad. They are the team of tomorrow. Given a good freshman squad and he knows that he hasn't got to worry too much about the graduating class. So we welcome all these new members and thank them most sincerely for what they have done and are going to do for the credit union movement.

Ladies and gentlemen: the initiates!

- 577—John A. Bray, New Kensington, Pennsylvania
- 578—Henry Claywell, Tampa, Florida
- 579—A. Duryee Crooks, Paterson, New Jersey
- 580—Harold H. Brammer, Huntington, West Virginia
- 581—Hartley Patterson, Huntington, West Virginia
- 582—H. E. Wingstad, Alliance, Nebraska
- 583—W. J. Jones, Alliance, Nebraska
- 584—Lee Strong, Alliance, Nebraska
- 585—Cliff Perrin, Detroit, Michigan
- 586—O. H. Edgerton, Madison, Wisconsin
- 587—D. L. Weichman, Youngstown, Ohio
- 588—Lynn Bowen, Jamaica, New York
- 589—Walter Hilliard, Cincinnati, Ohio
- 590—Edward M. Webb, Cleveland, Ohio
- 591—I. C. Kernaghan, New Orleans, Louisiana
- 592—Henry Aime, New Orleans, Louisiana
- 593—James T. Coats, New Orleans, Louisiana
- 594—James A. Parker, New Orleans, Louisiana
- 595—Leo E. Jones, Shreveport, Louisiana
- 596—A. B. Coroy, Gonzales, Louisiana
- 597—John E. Eidam, Omaha, Nebraska
- 598—Ralph W. Maine, Des Moines, Iowa
- 599—L. E. Gates, Canton, North Carolina
- 600—E. A. Kistler, Pittsburgh, Pennsylvania
- 601—Willard Schumacher, Aurora, Illinois
- 602—A. S. Dixon, E. St. Louis, Illinois
- 603—John B. Bean, Quincy, Illinois
- 604—John L. Loh, Dickinson, North Dakota

- 605—Mattie E. Weir, St. Louis, Missouri
- 606—T. A. Switzer, Victoria, British Columbia

Just What Is the Legion?

The idea of the CUNA Legion is to enlist from the membership of the Founders' Club (other than the National Association and State League paid personnel) those who are willing to attempt to organize six new credit unions in 1941. By this method we hope to accelerate the organization program and also to find men and women who, by natural inclination, may qualify for work within the Credit Union movement as the opportunity develops.

It is assumed that all individuals enlisting belong to credit unions which are affiliated with the member State Leagues or that they will do everything possible to urge their credit unions to join. We had assumed this from the start and now it is a condition of enrollment.

Further it is a part of the plan that a new credit union to count as one of the six on which full membership in the Legion will be predicated must, at time of organization, be signed up with the State League.

Further this effort is to supplement the State League work. Leads for new credit unions coming in in the usual way will be, as hitherto, referred to the State Leagues. Prior to launching the plan, letters were sent to all State League Managing Directors so that the plan, if unacceptable to any considerable number of the Managing Directors, would not have been attempted.

It is moving well and we shall have some credit unions to report in the next issue.

The CUNA Legion

In the last issue we called to your attention the first 78 recruits in the CUNA Legion. This enrollment is also rapidly increasing and we now have a total of 103 enrolled and we present the new enrollees:

- California*
Leon G. Catlin, Long Beach
- Colorado*
A. F. Dodd, Denver
- Illinois*
E. C. Jewett, Elgin

- C. L. Mills, Park Ridge
- Laurence J. Lohr, Aurora
- Iowa*
Joseph E. Coenen, Cedar Rapids
- C. J. Morrow, Ottumwa
- Michigan*
Sam L. Smith, Detroit
- Nebraska*
H. E. Wingstad, Alliance
- New Jersey*
A. Duryee Crooks, Glen Rocks
- New York*
Samuel W. Raych, Buffalo
- North Carolina*
C. E. Hix, Jr., La Grange
- North Dakota*
W. J. Brisson, Minot
- Darrell D. Johnson, Mandan
- Ohio*
John W. Withrow, Norwood
- Adolph Ott, Hamilton
- Joseph F. Maher, Cleveland
- Henry J. Albers, Norwood
- Harold H. Schroeder, Akron
- Pennsylvania*
E. A. Kistler, Pittsburgh
- Washington*
Dennis Nichols, Hoquiam
- Wisconsin*
Roman H. Kaczmarek, Greendale
- O. H. Edgerton, Madison
- Canada*
Raymond Castle, Hamilton, Ontario
- J. T. Croteau, Charlottetown, P.E.I.

Indiana Claims Largest Rural Co-Op Credit Union

† The Wabash County (Ind.) Farm Bureau Cooperative Credit Union has 756 members and total assets of \$97,931 as of June 30, 1940 and is now well over the \$100,000 mark.

Furthermore, they've got another big baby of a credit union in Indiana, that of Noble County, which has 758 members and assets of \$41,915.

MADAME PRESIDENT

(Continued from page 58)

Island Credit Union League. Elected a member of the National Board of Directors of the Credit Union National Association in 1940. At present is a member of the National Education Association Advisory Committees on Credit Unions and on Legislation, a member of the Advisory Council of the Department of Classroom Teachers of the National Education Association, a member of the Advisory Committee of the Rhode Island Children's Court Association, and a member of the Board of Directors as well as Director of Field Service of the Rhode Island Institute of Instruction.

We feel sure that under her experienced guidance the Credit Union development in Rhode Island will go forward with increased impetus and success.

From THE MANAGING DIRECTOR'S DESK

YESTERDAY was Christmas—tomorrow is the Spring!

Someone said that to me recently, conveying the thought which some early Roman philosopher said more briefly: "Tempus fugit." Time indeed flies and we have work to do. Off with the coats—up with the sleeves—on with the job. What presses hardest?

THE BRIDGE and the Filene Memorial press hardest for immediate action and 100% cooperation all along the line. So I will write this month primarily of THE BRIDGE and the Memorial. First, however, a word about coming events and the most important immediate event. The CUNA Mutual, the CUNA Supply, the Bonding Division—all are coming along fine. We can pass them up for this time as they are marching rapidly ahead. The matter of incorporation and the matter of unionizing—these great problems have been solved. So I'll pass them up, too.

First then, as to future events.

The National Meeting

Don't forget the annual meeting of the National Board at Jacksonville, Florida, on May 1 and 2, preceded by the Executive Committee meeting on April 29 and 30. While this is a meeting of the National Board, everyone is welcome. Plan to be there. It's a swell place for a vacation. While we do not advocate that the bookkeeper should spend his vacation keeping books or the letter carrier devote his days of rest to a long hike—the annual meeting will be interesting enough so that you and the wife should drive down to it. It will give you a first hand chance to see how your credit union business is being carried on. So much for the future.

The Recent Meetings in Hollywood

We had a meeting of the CUNA Mutual Board in Hollywood on February 6 and 7 and a meeting of the Executive Committee at the same place on February 8 and 9. The only unhappy circumstance connected with the meetings was the enforced absence of President Bill Reid and Bill Pratt, who could not attend; Bill Reid because of a too recent serious illness, and Bill Pratt because of the pressure of business. We missed them. The meetings were, however, largely routine in character, the more pressing business of the Executive Committee being continued to the meeting im-



Roy F. Bergengren

mediately before the Annual Meeting.

The CUNA Mutual Board Meeting

Johnny Moore of California called the CUNA Mutual Board meeting to order on the morning of the 6th and we were all through by noon of the 7th. The primary business had to do with contracts, by-law amendments to assure membership participation, the ratification of new wage scales and the treatment of men in the service. One important vote provides that men entering the service for a year of training shall be paid what we were paying them less the government pay plus a fair allowance for board and lodging in Madison. This is consistent with the spirit of the Selective Service Act and puts CUNA out in front in interpreting the Act.

The Executive Committee Meeting

Johnny, as senior Vice President, also presided over the Executive Committee meeting. One of the most important items had to do with amendments to the Federal Act, including (1) an amendment to extend the operations of the Act to the Canal Zone, (2) to permit Federal chartered Credit Unions to pay State Unemployment compensation taxes, and (3) to extend the moratorium on debts, owed by Federal Credit Union members entering the service for a year of training, to interest as well as principal. THE BRIDGE, the CUNA Legion, the budget, the Filene Memorial came in for thorough discussion and, while the meeting had to do mostly with routine matters, it was rich in accomplishment.

We Meet with the Los Angeles Chapter

On the evening of February 7 the members of the Executive Committee and the CUNA Mutual Board were the guests at a delightful dinner meeting of the Los Angeles Chapter at the Breakfast Club. The highlight of the evening was a speech by Paul Hertz, a former member of the Ger-

man Reichstag, who, in the happier days, spoke for cooperation in the German parliamentary body. Nat Helman made an inspired address; the entertainment was excellent, and the evening passed all too quickly.

Thanks the Proverbial Million

I find myself stymied when I try to distribute thanks to California for all that was done for us during the meetings. First, we owe a deep debt of thanks to the California League, to President Bill Uhrich, and to Managing Director Ralph Hagin. We owe thanks plentiful and overflowing to Charley Drenk, representative of the California League in Southern California, for helping us so efficiently with the arrangements and for many unfailing courtesies. We shall long remember the hospitality of these California League leaders. Then there is the Los Angeles Chapter and all their in-coming and out-going officers. They put on a demonstration of what a very successful Chapter can do and proved to us again the quality and quantity of California hospitality. Thanks to Johnny Moore of Oakland for handling our meetings so expertly and to each and all who contributed to prove to us how outstanding is the Credit Union movement in California and how welcome our Boards were—thanks to them all, a million times a million!

Now As To the BRIDGE

At the Executive Committee meeting we had a fine and very encouraging report from Doc West, who heads up the National Committee which is doing so much to increase BRIDGE circulation. We had a fine and progressive report from THE BRIDGE Committee and we had also in hand the February BRIDGE which certainly shows outstanding improvements over previous issues. Just before Christmas we sent out a BRIDGE subscription blank along with some other matter which was then being circularized. This blank has been used largely for re-subscriptions and has produced all told over a thousand subscriptions to this date and they are still coming in. We now have some well-qualified candidates for the job of editor and an editor will be chosen about March 1. Everything as regards the BRIDGE is on the march. Under the management of Charley Hyland it is now self-supporting. Through the loyal cooperation of the leagues and a Credit

Union in the States of Ohio, Minnesota, and New York, our debt has been refunded and is now in the family. We are ready for the push ahead which should have for its immediate objective a minimum of 50,000 subscriptions. This objective can easily be made if we will all cooperate with Doc West, each of us taking onto our own shoulders a part of the load. Every Credit Union should have THE BRIDGE for its directors and committee members. Has your own Credit Union done that? Has your neighboring Credit Union done that? Why not constitute yourself a cooperating committee of one? No greater service can you render to the Credit Union movement than to help us build THE BRIDGE.

Working together we can have THE BRIDGE out of debt by the end of 1941.

And we know how to work together.

Finally—the Filene Memorial

On my way to Los Angeles it was my privilege and pleasure to have a whole day to work on problems of the Memorial with Claude Clarke who has directed this effort from its inception. I would like to pause long enough to express the thanks of the credit union movement to Claude. The Filene Memorial is a labor of love with him. He is a very busy attorney in Cleveland and he has given us lavishly of his time and richly of his talents. He has had the cooperation of an inspired group of state chairmen. Let's look at it for a moment from the viewpoint of what has been done. We have a site worth all the \$16,000 it cost. There are no mortgages on it. On January 1 we had in the Bank \$60,824.65; on February 1, \$67,182.92, a net increase for the month of \$6,358.27. On February 17 we had in the bank \$70,268.93, a net increase for the first 17 days of February of \$3,086.01. I know of \$4,000 of pledges in one state yet to be collected. There are various other pledges and amounts collected in other States. It is a safe guess at the moment that we are sure of \$75,000, or a total (including the land) of \$91,000 of cash worth to CUNA, which we would not have had had the Memorial not been conceived.

This should give us occasion to pause. *Is there anything in this statement which should make us discouraged?* Not by a long shot!

Our problem is to bring this \$75,000 to \$150,000 by July 1.

Our present lease expires on November 1, 1942. By then we shall be hopelessly overcrowded in this building. We are already handicapped in many of the things we would do by

lack of space. If we don't get at this building this fall we must face up inevitably to rising labor and materials cost due to our increasing participation in the war.

We have reached the stretch; now is the time to prove our speed.

We have close to 3,000,000 members in 9300 Credit Unions. Our only obstacle is a mental hazard. We must increasingly make up our minds that this job can be done. So far 1464 credit unions have contributed to it and 18,940 credit union members as individuals. Think of it! With this proportion of our total membership we have in sight half of the cost of the first unit. Many of these Credit Unions which have contributed have made small, preliminary contributions all out of proportion to their capacity to contribute. They will do more. Some have already given a dollar a member and that's certainly enough.

The problem now is to redistribute the load.

Did you ever see a man plugging along the high-road with too great a load on his back? Did you ever see what happens when some good neighbors come along and the load is redistributed? Working cooperatively, the load that was so heavy becomes an easy load. *Let's redistribute this load.*

We are going to ask (and this plan was favorably received at our meeting) every National Director and every State League President, Managing Director, and Filene Memorial Chairman to raise \$400 each between now and July 1—better than four months away. We are going to ask individuals in large credit unions which have made no contributions to date to help us actively in similar fashion. By redistributing the load and placing a time limit on making our objective we expect to have \$150,000 in hand by July 1. The usual state campaigns will be continued as will be all other revenue raising devices, but the answer, we believe, is to be found in redistributing the load. All of the executive staff of CUNA and affiliates, including the Managing Director and members of the field staff, will be asked, each to take his share of the load. We want you to carry a part of the load. Now is the accepted time to complete this great undertaking. Times are better. We have made a swell start. Let's not tarry. Let's get on with this honorable task. We credit unionists can do it. We have done big things—we will continue to do big things.

And thanks another million for every contribution to date; for all you have done and all you are going to do. On with the Filene Memorial!

WHY The Small Change Bank?

● We have distributed to credit unions and credit union members close to 25,000 small change calendar banks. There must be some explanation of the popularity of this item. The explanation is relatively simple. This bank is useful to help in developing the habit of daily saving. It can be used to save a nickel, dime, or a quarter a day. The date on the bank is recorded mechanically and can be changed only by inserting a nickel, dime, or quarter daily. The name of the month is changed by inserting a quarter monthly.

Obviously if the member needs to have on hand a certain sum at regular intervals for Christmas, vacation, insurance premium payments, etc., he can easily regulate his daily savings in the small change calendar bank accordingly. If he keeps the key to his bank at the credit union office it becomes a routine matter to take the bank monthly to the credit union so that the accumulation of savings may be then placed to his account.

Thousands of credit union members have found this the surest way to establish the habit of daily saving. The small amounts make the large totals eventually possible.

The calendar bank is made of durable tenite. It is most attractive and convenient to carry. This item is sold exclusively through your State League if your League handles forms in which event it is sold subject to the sales tax in that State if any. In States which do not handle forms it is sold by the CUNA Supply Cooperative.

Inquire of
Your State League
IF HANDLING FORMS

Otherwise

CUNA
Supply Cooperative
Madison, Wisconsin

Ten Years With Credit Unions In The Utica (N.Y.) District

EDITOR'S NOTE: On the weekend of January 25, 1941, Credit Unionists gathered at Utica, New York, to celebrate the 10th anniversary of the Utica Postal Credit Union, whose history also parallels the credit union movement's history in Central New York state. Thomas J. Kelleher has been the sparkplug in his district. He has served as treasurer of this Credit Union since organization. He has also served as President of the Utica District Chapter. At present he is on the Board of Directors of both the New York State Credit Union League and the Credit Union National Association. He is also State Chairman of the Filene Memorial Campaign. We feel that Tom's story will recall to our memories things which time already is beginning to dim.

By **THOMAS J. KELLEHER**

A VERY interesting talk, — but after all was this Utopian plan workable?—such was the average opinion of the employees of the Utica Post Office who had just listened to a very interesting talk on a subject revolutionary in nature, a subject which taught that the average group of persons, with a common bond, could successfully manage their own financial affairs. The year was 1929, and history discloses that we were just closing a glorious chapter in the annals of finance. The Utica Postal employees were accustomed to helping their fellow beings, both inside and outside of the Post Office, when these needs were proven worthy; however, here was a scheme that invited the cooperative effort of all and conceivably might result in the management or mismanagement of thousands of dollars of hard-earned savings, and Postal workers are no different than other wage earners in that when you ask a man to dip into his savings you are getting pretty close to the real man.

Idea Gets Response

However, the thought advanced that we would be helping our fellow workers struck a responsive chord and a group of nine individuals were finally secured who would act as Incorporators by affixing their names to the Charter application. These nine employees were Fred J. Hamlin, Walter G. W. Seiler, George Swan, Burton L. Ambrose, Thomas J. Kelleher, James V. Cellini, Earl Kowehler, Helen R. Tripp, and Hubert M. Jones. After waiting a year for the approval of our Charter, we were told that our application was lost somewhere in the shuffle at Albany, and that we would have to resubmit our application. This

we did at once, and our application was approved on May 15, 1931, and at our organization meeting Walter G. W. Seiler was elected President, Burton L. Ambrose, Vice President, James V. Cellini, Secretary, and Yours Truly was given the job of handling the cash. With a steel locker and a table on wheels so that it might be pushed around the office at will and thus "not get into anybody's hair" we started business on August 17, 1931, and took in 29 members and a grand total of \$37.00 in cash. Banking hours were listed at from 2 to 4 P.M. on pay-days and the day following, and we progressed to the point where on December 31 of that year we had \$753.91 invested in shares, and all of it, with the exception of \$10.00, loaned out to members. We found that we had earned \$13.00 in the four and one-half months of our existence, and celebrated the fact by declaring a 6%

dividend. This very high sounding financial phrase amounted to \$6.99 in actual cash, but it brought into our fold many new members, some of whom had been openly critical of the plan.

Steady Growth

The succeeding two years were ones of steady growth both in members and share capital, as we became better acquainted with practical Credit Unionism, under the direction of Miss Maxwell of the Credit Union National Extension Bureau and Sidney Stahl, Managing Director of the New York State Credit Union League, Inc., who then, as now, were always ready to counsel and advise. In 1932 we introduced a Christmas club, for the convenience of our members who had been obliged to take these savings to one of the banks, and have continued this service since.



Utica (N.Y.) Postal Credit Union wins cup for having largest attendance at annual chapter dinner. The cup remains in their possession for one year. They can retain it permanently if they win it three times.

Left to right: Thos. J. Kelleher, Treas.; Walter G. Seiler, Dir.; Chas. J. Dromgoole, Pres., of Utica Postal C.U.; Maurice Sheehan, Pres.; V. B. Synakowski, Sec.; Hubert M. Jones, retiring Pres., Utica District Chapter.

1933 brought the darkest clouds in our country's financial history and on March 2, 1933, in common with all other financial institutions in our State and nation, we received a telegram from the Superintendent of Banks advising us to suspend operations at once until further notice and requesting statements as to our outstanding share and loan balances, etc. March 13, 1933 brought the biggest thrill in our history in the form of a telegram from the Superintendent of Banks advising us that license is hereby granted for your institution to reopen for the purpose of resuming business. The year 1933 also brought a concerted effort on the part of State Credit Unions, ably directed by the Credit Union National Extension Bureau to have a law put on the statute books which would permit the formation of a Credit Union anywhere within the territorial confines of the United States, and our Credit Union cooperated by sending nearly two hundred telegrams to leading Senators and members of the House urging its enactment. This missionary work bore fruit in 1934 when the Federal Law was enacted, and the F. C. A. Credit Union Section was set up.

1935 brought the first Federal Credit Unions to Utica, and it also brought to the Utica Postal an insurance contract with the Federal Housing Administration permitting us to loan to our members any amount within the legal limit set up by the Banking law for the repair and modernization of real property. Such loans to be repaid in 36 installments at five per cent discount and insured by the Federal Government. Under this contract we have loaned many thousands of dollars to our members.

1936 saw the organization of many new Credit Unions. It also brought the formation of the Utica District Chapter with an accredited representative or Director on the Board of Directors of the New York State Credit Union League.

Credit Unions Increase

The succeeding three years we can dismiss by stating that the number of Credit Unions in the Utica area jumped from eight to thirty with a membership of well over 10,000 and a share capital of four hundred thousand, and today forms a very influential group in the civic and professional life of our City. The membership of our Credit Union has increased to take in every employee of the Post Office and the original capital has increased to \$30,000; we did a gross business last year in excess of \$50,000.00.

And so, joined by our friends and

fellow Credit Unionists in the Utica area and honored by the presence of those high in civic and Credit Union life in the State and Nation, we took time out to celebrate on January 25 at Hotel Martin. To have successfully weathered the financial storms of the

past decade including the depression and resulting bank Holiday is indeed cause for jubilation. When one looks back at the past it might be interesting to rub the crystal ball and see what the next ten years have in store for the Credit Union movement.

Did You Ever See a Dream Walking?

By **CLAUDE E. CLARKE**

Chairman, National Filene Memorial Committee



Claude E. Clarke

✦ Do you remember a popular song of a few years ago which opened: "Did you ever see a Dream walking? Well—I did!"

That's the experience I have been having lately. I've seen a Dream, walking—yes, walking, marching, going straight ahead to its chosen objective with certainty and determination. What's the Dream?

It's a dream we've all cherished so long. It's a dream that's coming true. Three million of us in the credit union movement are going to make a reality out of this dream, to reaffirm thereby our love and eternal devotion to our Founder, Edward A. Filene, who made the credit union possible for us.

The dream is the Filene Memorial.

It's a dream that the increasing and nationally-important functions of CUNA shall be properly housed, that we shall have efficient tools with which to carry on our common business.

It is a dream of faith in ourselves and in our great cause.

It's a dream of loyalty and love of something fine and constructive in a world to which so much of life and treasure is being dedicated to war and destruction.

It's a dream of the greater place of the credit union in the better world of tomorrow.

And I've seen this dream walking and marching and going straight ahead.

Recently the treasurer of a most important credit union in Los Angeles told me that his credit union had voted over two thousand dollars to the Memorial. They had the dream.

A Federal credit union writes that, in spite of a ruling that the Credit Union may not vote money to the Memorial, they are going right ahead and raising it by individual subscrip-

tion. They have seen the dream, walking!

One letter contains a dollar. "My credit union," the donor writes, "was only organized last month. We haven't any money as a credit union but as individuals we want a part in the Filene Memorial. Here's my dollar."

Remember the colored man? He came into his credit union office and said to the Treasurer: "Mister George, here's twelve dollars. I'm giving it to the Filene Memorial." The treasurer tried to argue him out of it. "You can't afford twelve dollars," he said, "I'll take a dollar, which is swell, and here's the other eleven." But the colored man was there to preach the sermon of thanksgiving which I have heard so often from credit union members. "Mister George," he said, "I've belonged to this Credit Union for many years. It has always been serving me. It has been my best friend in all the world. This is my first chance to prove my gratitude and I'm proving it. You keep the twelve dollars. That's my part in the Filene Memorial."

He'd been touched with the dream; he'd seen the credit union dream of service to mankind—walking, in its day by day service to him.

Hundreds of letters come in, day by day. They pledge small amounts and large amounts. I have personally visited many credit unions on this errand. Never have I been received except with open arms. Never have I heard a voice raised against the Memorial. This is one thing on which the credit union movement is unanimous.

And this is one dream which has a practical destination.

Mr. Filene had a dream. He lived to see it come true.

We have had many dreams in the credit union movement and a fine, high average of them come daily closer and closer to fruition.

Why am I so confident that the dream of the Memorial will come true?

Mostly because I know the Credit

Union folks. I know what they can do and what they will do. I have seen plenty of samples in this campaign.

I saw the credit union folks of Madison go out to raise \$16,000, in that one city, that the most beautiful site in town might be secured for us. I know something of what that campaign took. They had it. Plenty of folks told them it couldn't be done but they didn't seem to understand that kind of talk. They had a dream. They made it come true.

I know that we had in the bank on January 1st \$60,824.65. We now (February 19) have in the bank \$70,268.93. I know how faithfully our State Chairmen are working. Theirs is a true labor of love. Hats off to them!

I know that many states are moving steadily to their goal. The Nova Scotia League has made a substantial donation and our brothers in Canada are much interested. The campaign has been slow starting; what has been done so far has been accomplished by a relatively small cross section of our membership. But now it has reached beyond the walking stage; it marches, gathering head day by day, with a definite goal in sight.

Readjust the Load

Now—to make the dream come true—we must, as Mr. Bergengren has said, "readjust the load." There is an old adage that "many hands make light work." Sometimes we have company to supper on Sunday night. It makes a lot of dishes. I note that if the company insists on helping wash the dishes two things happen. The dishes are done in a jiffy and the business of washing the dishes becomes a social and very enjoyable event.

In the 14th Chapter of Luke we find the words: "Come—for all things are now ready." It seems to me that we have reached that point in our campaign.

All things are now ready.

We have learned how to conduct a campaign of this sort. We know that three National Conventions have examined the project and, by unanimous vote each time, have approved it. We know of the power of union. We have various plans for raising money which will be carried forward vigorously.

But all things are ready now for the big push. Plans have been made to speed up the campaign. First these plans involve you who are reading this article.

In the first place I ask you personally to do everything possible, first in your own credit union and next in the credit unions in your vicinity. This is a job which calls for contact. We need your help. Has your credit

(Continued on page 69)



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Credit Union

Federal Section

Season of Meetings

IN THE credit union world the early months of the year have come to be a season of meetings. Not only are the thousands of January meetings of credit unions in evidence but there are league meetings, chapter meetings, and directors' meetings galore.

Officials of the Credit Union Section are happily finding it possible to get around to a number of these gatherings and learn at first hand how credit unions are progressing in various sections. Then there are the flock of special meetings for supervisory committee instruction, interest in which shows no signs of falling off. Washington officials and field men alike have given their services freely to chapters holding these classes.

One of the especially pleasant occasions of this early-year period was a joint meeting of the Peoria, Ill., chapter and the directors of the Illinois Credit Union League, held in Peoria in mid-January. Assistant Director Milton Rygh was the featured speaker, taking up a subject which comes up in many minds these days—the contribution which the credit union makes to national welfare. He made the point that the well being of the country calls for healthy citizens, for men and women of capacity and initiative, and for a high morale among our people. All these the credit union is steadily supplying. A transcript of his address is being prepared for a forthcoming issue of COOPERATIVE SAVING.

Parish Leader

The January number of the *St. Anne's Credit Union News* comes to hand bearing a proud record of "5 Years of Progress" of the Federal credit union of that name in Fall River, Massachusetts. Also it carries a confident challenge to anyone to disprove that it is now the leader in size of all parish credit unions operating under Federal charter.

A glance at the figures will indicate that the challenge is not likely to be successfully met. At the year's end this parish organization had 1,092 members and assets of more than \$64,000. Such figures are not exceptional when compared with industrial credit unions but they stand out sharply in the parish credit union class. Moreover, they are not end-of-the-line figures, but they represent rather a way station on a line of progress that promises to run on indefinitely into the future. The gains last year

were the largest in the credit union's 5-year history.

Appearance of this bulletin calls to mind a notable bit of credit union enterprise in which the St. Anne's FCU is one of the leaders. Each year the credit unions of Fall River unite in publishing almost a full-page advertisement telling the public about themselves and about the kind of service they render. It very effectively "puts them on the map" locally for the whole year. The credit unions of Dayton, Ohio, and nearby points have adopted the plan also and have sent copies of their ad to the Credit Union Section. If there are others, the Section would like very much to have copies of them also.

Pamphlets

The Credit Union Section has been favored by receiving a number of copies of two most handsome twin pamphlets issued recently by the Crown Zellerbach Corporation and its affiliated company Rayonier Inc. These west coast companies are thoroughly sold on the benefits of credit unions to their employees and willingly collaborated in publication of the pamphlets. The progress and officer personnel of eight credit unions in the former company and four in the latter are described, one of them, the Shelton Rayonier Federal Credit Union, being the first credit union in the state of Washington to receive a Federal charter.

The pamphlets are notable especially as being among the very few publications so far issued telling the story of the credit unions organized within the limits of a given business corporation. The number of such corporations with a string of credit unions for their employees is increasing rapidly and it is to be hoped that many reviews similar to these at hand will be appearing in the future. The Credit Union Section supplied material and suggestions for the two pamphlets named and will welcome the opportunity to help out with the preparation of others along the same lines, whether the credit unions are Federal or state-chartered.

DID YOU EVER SEE A DREAM WALKING

(Continued from page 68)

union done all it can? If not—will you help us in your own credit union? Have neighboring credit unions made their maximum contributions? You

know some of their members. You meet them in chapter meetings.

Help us to get them to help you to help the Filene Memorial campaign.

When this job is done—let's all be counted among the doers of it!

We ask every State Chairman to redouble the State effort. Let's get the job done.

The Public Affairs leaflets are going well. We have already distributed 25,000 of them. They will help the campaign, a little and every little now counts.

We have asked State-chartered Credit Unions, receiving checks from the CUNA Mutual Insurance Society as dividends, to chip these checks in this year. If your credit union gets such a check, say a good word for this plan with your directors.

Two Hundred Individuals

And we are going to line up two hundred individuals to help the State Chairman, asking each one of these two hundred to raise \$400 between now and July 1st. We're redistributing the load. Your State Chairmen have been carrying a great load and they carry it without faltering. It's time to help them, to spell them, to carry a part of the load so that the burden will not be individually so heavy.

So we plan to ask any and all who are willing to share a part of the load to each raise \$400 between now and July 1. That means you by this invitation. It means the state and national officers and personnel. It means all the folks we can reach who will be receptive to this suggestion that we accelerate the campaign.

If 200 men and women will raise \$400 from credit unions with which contact can easily be established between now and July 1 we shall be building the first unit this fall.

It is indeed more blessed to give than to receive. Millions of people have been blessed by the gift of the credit union. Now is our chance to prove that we understand the extraordinary dimensions of that blessing.

Remember, then, the date!

July 1st—four months from now.

Remember the objective!

A minimum of \$150,000 in hand July 1st.

Remember our job!

To each carry a part of the load.

And thanks and thanks again and again for the response day by day and the increasing proof of the determination of the credit union brotherhood to build Filene House.

Keep the dream walking, marching, striding on irresistibly to the goal!



"Mr. Chairman" By BYRL A. WHITNEY

Voting Privileges and Duties of Presiding Officers

♦ A presiding officer may or may not be a member of the body over which he presides. His voting privileges depend upon which status he holds. Usually he is a member. The presiding officer of the United States Senate, the Vice President of the United States, is not a member of the Senate. Hence, he possesses no right to vote except such as may be conferred by the Senate or some higher authority. That is the general rule.

There are many court decisions on voting rights of presiding officers over governmental bodies. It is generally held by courts that where the legislature has given to the mayor the power to cast the deciding vote in case of a tie vote in the city council, the mayor shall not also vote to create a tie. But there are contrary decisions which hold that where the mayor is a member of the city council he may vote twice, once as a member and once to break the tie.

A member or officer of an ordinary deliberative organization should not be confused by such conflicting decisions as they have no application to their organizations. The court decisions are not uniform because the statutes on which they are based are not uniform. They have significance only as interpretations of the statutes to which they refer. No general rule can be formulated from them. They are mentioned here to explain the source of confusion that sometimes exists on this subject.

In ordinary deliberative bodies, the presiding officer is a member. His elevation to the presidency ought not deprive him of democratic membership rights. Why, then, should not a president or presiding officer, being a member, have the same voting privileges as any other member? His voting rights are restricted to foster the appearance of his complete impartiality, so necessary to a successful presiding officer. If he votes on every subject that arises, whether or not his vote is decisive, he needlessly reveals his position and destroys the appearance of his impartiality.

A presiding officer's membership rights may be substantially preserved if he is entitled to vote whenever his vote would have the effect of changing the result, and that is the general rule for deliberative bodies. The Speaker of the United States House

of Representatives, a member as well as the presiding officer of that body, has the same right to vote as other members, but he rarely exercises that right. He is not required to vote unless his vote would be decisive, and he may cast such decisive vote after the intervention of other business, or after the announcement of the result or on another day, if a correction of the roll shows a condition wherein his vote would be decisive. Jefferson's *Manual* sets forth such voting rights and duties of the Speaker of the House, and they are valid rules of procedure for an ordinary deliberative body when the presiding officer is a member.

The practical effect of the general rule is that a presiding officer, being a member, may vote to make or break a tie. In no case shall he vote twice on the same question, once to make a tie and once to break it. All tie votes have the effect of a majority vote in the negative. Therefore, the presiding officer may vote to create a tie because he thereby changes the result. Likewise, where a two-thirds vote is required the presiding officer may vote, if a member, where his vote has the effect of changing the result.

What are tie votes? Courts have defined a tie vote as one in which an equal number of ballots is cast for and against a measure or for different candidates for the same office. Where one candidate received 10 votes and two others received 10 votes, the court held there was no tie vote. That is the proper rule and it would also apply where there is an alternative of three or more propositions before the body. Such situations are not equivalent to tie votes and the rules applicable to tie votes do not apply to them.

The general rule is that it is the duty of a presiding officer to vote when his vote is decisive. There is no good

reason why he should not do so as his refusal would suggest his attitude toward the pending question anyway. It is improper for a presiding officer merely to announce the result, leaving only a presumption as to how he voted. Courts have held that such a practice is not equivalent to the presiding officer casting a decisive vote, but there are decisions to the contrary. The better practice and the safer course is for the presiding officer to vote whenever his vote is decisive and to announce the result accordingly.

A presiding officer who is a member of the assembly may also vote where the vote is by secret ballot and before the ballot is closed. In that case the reason for restrictions upon his voting privileges does not exist. In appeals from his decisions he may also vote to create a tie and thus defeat the appeal.

Of course, all general parliamentary rules are inapplicable where conflicting rules have been established by the organization's constitution and by-laws. Some organizations have subordinate officers whose special function is to preside over certain auxiliary parts of the organization, as over a general committee. Such a presiding officer may be a member of the organization, but not of the auxiliary part. In these cases, he is similar to a governmental officer such as a mayor who is not a member of the city council. In any event, his voting rights should be determined strictly in accordance with his organization's law. Thus, if that law provides that such presiding officer shall have a voice but not a vote, he could not enlarge upon his constitutional voting privileges by descending from the chair and calling upon the vice presiding officer or vice chairman to preside. This, however, is a matter of interpretation of the specific laws of an organization, rather than of parliamentary law.

In the ordinary situation where the presiding officer is a member of the assembly he should step down from the chair while another presides if he wishes to avail himself of ordinary privileges of debate and voting. But it is improper practice for a presiding officer to make a habit of this. In the interests of maintaining complete impartiality he should not, except for very imperative reasons, show his partisanship with respect to the business of the organization.

It is a thing of no great difficulty to raise objections against another man's oration,—nay, it is a very easy matter; but to produce a better in its place is a work extremely troublesome.

—Plutarch.

Coming Events

March 8, 1941—
Annual Meeting—Connecticut Credit Union League, Hotel Bond, Hartford, Connecticut.

March 13-14, 1941—
Board of Directors, CUNA Supply Cooperative, Des Moines, Iowa.

March 15, 1941—
Annual Meeting—Oklahoma Credit Union League, Ponca City, Oklahoma.

March 15-16, 1941—
Midwest District Meeting—Des Moines, Iowa.

March 17, 1941—
Midwest Managing Directors Conference, Des Moines, Iowa.

March 17-21, 1941—
Volunteer Organizers Club, Pittsburgh, Pennsylvania.

March 21, 22, 23, 1941—
Annual Meeting—Ohio Credit Union League, Dayton, Ohio.

Annual Meeting—California Credit Union League, San Jose, California.

March 21, 22, 1941—
Annual Meeting—Texas Credit Union League, Waco, Texas.

March 22, 1941—
Annual Meeting—Pennsylvania Credit Union League, William Penn Hotel, Pittsburgh, Pennsylvania.

March 29, 1941—
Annual Meeting—Arkansas Credit Union League, Little Rock, Arkansas.

April 4, 5, 1941—
Annual Meeting—South Dakota Credit Union League, Sioux Falls, South Dakota.

April 5, 1941—
Annual Meeting—Indiana Credit Union League.

April 4, 5, 6, 1941—
Annual Meeting—Kansas Credit Union League, Coffeyville, Kansas.

April 14, 15, 16, 17, 1941—
Volunteer Organizers' Club, St. Louis, Missouri.

April 18, 19, 20, 1941—
Annual Meeting—Missouri Mutual Credit League, Kansas City, Missouri.

April 19, 1941—
Annual Meeting—Michigan Credit Union League.

Annual Meeting—Maine Credit Union League, Portland, Maine.

April 21, 22, 23, 24, 1941—
Volunteer Organizers' Club, Kansas City, Missouri.

April 29, 30, 1941—
CUNA Executive Committee, Roosevelt Hotel, Jacksonville, Florida.

May 1, 2, 3, 1941—
Annual Meeting—Credit Union National Association, Roosevelt Hotel, Jacksonville, Florida.

May 9, 1941—
Annual Meeting—CUNA Mutual Insurance Society, Madison, Wisconsin.

May 9, 10, 1941—
Board of Directors, CUNA Mutual Insurance Society, Madison, Wisconsin.

"This machine has meant a Great Saving!"

— says L. B. KILBURN,
Treasurer, Yale Lockmakers
Federal Credit Union,
Stamford, Conn.



"When our credit union reached the 900-member stage," says Mr. Kilburn, "we had difficulty keeping the individual share and loan accounts in balance with the share and loan controlling accounts. Our bookkeeper was subject to many interruptions. Even with an assistant bookkeeper, we were still putting too much time into our manual bookkeeping method."

"We chose a committee to investigate mechanical equipment, and after looking over the entire field they recommended the purchase of a NATIONAL Bookkeeping Machine."

"Since its installation, two years ago, our individual share and loan accounts have never failed to balance with the controls! And although we now have over 1700 members, we still require the services of only two clerks."

"This machine has meant a great saving to us in clerk hire. The depreciation cost is negligible. The legible records are wonderful. And the machine may be operated for hours at a time without clerk fatigue. Our supervisory committee finds that the machine's audit tape greatly reduces

their work at each quarterly audit."

Reduced bookkeeping costs, simpler audits—plus better service to members—are the reasons why so many credit unions are using NATIONAL equipment today. Have you investigated the savings possibilities in your organization? Call in a NATIONAL representative—his experience is at your service.



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